Weekly Ag Update

INCLUDED IN THIS ISSUE

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CROP SUMMARY FOR THE WEEK ENDING SEPTEMBER 23, 2001

NEW MEXICO: There were 6.7 days suitable for field work. During the week farmers irrigated crops and continued to harvest alfalfa along with green and red chile. The 5th cutting of alfalfa was 90% complete and the 6th cutting at 46% complete. Cotton and corn were listed in mostly fair to good condition. The total sorghum crop declined slightly again last week and was in very poor to good condition with 75% of the crop turning color. Wheat was 32% emerged with over half of the crop in fair condition. Peanuts were listed in fair to good condition. Green chile harvest was 83% complete and red chile harvest was 25% complete. Ranchers were preparing to take calves to market in October. Dry conditions have led to emergency grazing of CRP land in the eastern part of the state. Pasture and range feed was in desperate need of rain and was listed at 11% very poor, 45% poor, 34% fair, and 10% good.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
SORGHUM (All)	Coloring	75	66	65	68
COTTON	Bolls Opening	72	70	77	73
APPLES	Harvested	36	35	50	47
WHEAT	Planted	74	68	40	64
CORN	Harvest/Silage	87	80	99	67
	Harvest/Grain	9	3	30	7
CHILE	Harvested-Green	83	81	83	77
	Harvested-Red	25	20	12	3

Harvest Progress

Wheat Progress
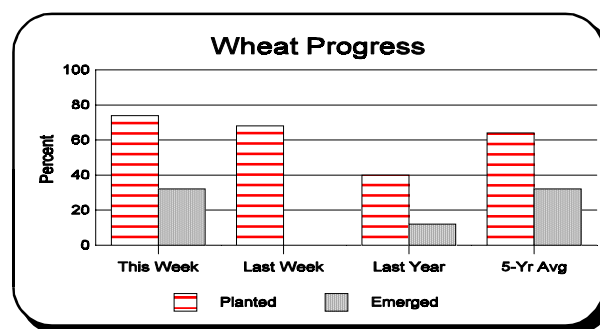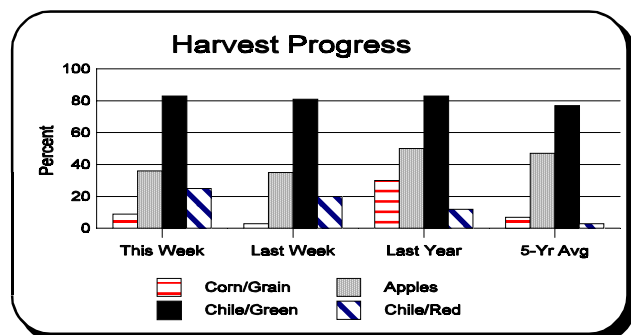
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	–	10	25	58	7
Apples	–	35	61	4	--
Chile	–	14	40	35	11
Corn	--	1	42	46	11
Cotton	--	--	35	52	13
Lettuce	--	–	15	45	40
Peanuts	–	–	60	40	--
Pecans	--	–	17	48	35
Sorghum (All)	27	8	45	20	--
Wheat (All)	18	17	51	14	--
Cattle	5	14	41	38	2
Sheep	3	22	41	34	--

Livestock Conditions
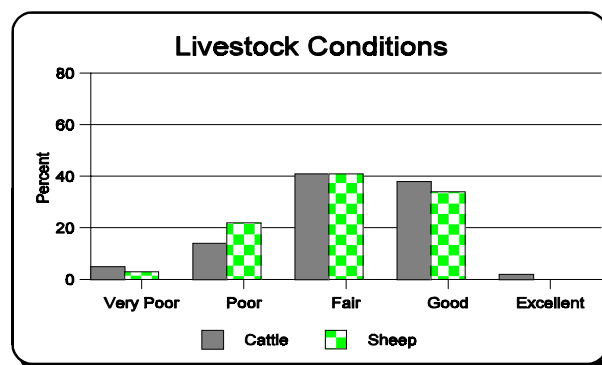
SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	19	60	21	--
Northeast	29	55	16	--
Southwest	–	52	48	--
Southeast	43	26	31	--
State	26	48	26	--
State-Last Year	56	30	14	--
State-5-Yr Avg.	17	35	43	5

Soil Moisture
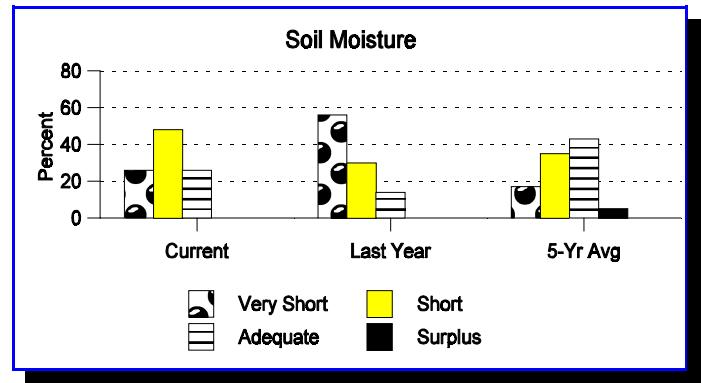
WEATHER SUMMARY

Weekly average temperatures were 4 to 7 degrees above normal for the period despite a strong cool front that moved through the eastern plains and into the central valleys on Sunday. The week started with scattered showers, then dried for several days before finishing with some high-based storms which produced gusty winds but little significant moisture. Clovis and Curry County saw the best rains of three-quarters to one inch.

NEW MEXICO WEATHER CONDITIONS SEPTEMBER 17-23, 2001

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	09/17 09/23	09/01 09/23	Normal Sep	01/01 09/23	Normal Jan-Sep
Carlsbad	78.1	101	60	0.08	0.88	2.75	5.88	10.74
Hobbs	78.1	100	61	T	0.00	2.60	5.69	13.96
Roswell	75.7	99	55	0.18	0.34	1.87	7.32	10.64
Clayton	68.1	89	50	0.02	1.08	1.77	10.17	13.38
Clovis	72.0	88	57	0.79	1.28	2.16	11.77	14.90
Roy	65.9	80	53	0.00	0.23	1.90	8.63	13.74
Tucumcari	72.4	92	52	0.09	0.16	1.47	13.30	12.45
Chama	56.9	79	35	0.01	0.48	2.23	16.37	16.13
Johnson Ranch	62.1	85	40	0.15	0.32	1.33	6.15	9.05
Capulin	59.9	82	36	T	0.08	2.22	10.99	15.30
Las Vegas	62.5	82	41	0.04	0.44	2.07	9.97	14.85
Los Alamos	62.3	77	47	0.16	0.39	2.12	12.33	15.30
Raton	61.4	81	40	0.24	0.57	1.61	11.98	14.64
Santa Fe	63.4	83	40	0.00	0.32	1.51	8.70	11.54
Red River	53.4	78	30	0.16	0.82	1.66	18.77	16.69
Farmington	66.9	89	46	0.21	0.21	0.97	5.20	6.33
Gallup	61.2	83	38	0.04	1.03	1.31	9.44	9.67
Grants	61.1	85	38	0.15	0.45	1.56	6.38	8.51
Silver City	67.8	84	50	0.15	0.25	2.22	9.42	12.86
Quemado	59.7	84	36	0.00	0.35	1.43	7.83	9.01
Albuquerque	72.2	88	57	T	0.51	1.00	5.44	7.06
Carrizozo	68.1	89	50	0.08	0.78	1.88	7.07	10.12
Gran Quivera	65.6	85	46	0.28	0.88	1.95	6.93	12.74
Moriarty	62.1	85	37	0.00	0.63	1.61	8.87	10.67
Ruidoso	60.9	80	42	0.00	4.61	2.50	16.53	17.53
Socorro	67.2	88	46	0.03	0.30	1.53	7.78	7.37
Alamogordo	76.4	93	57	0.00	1.61	1.99	1.62	9.91
Animas	76.2	92	60	0.00	0.36	1.68	7.23	8.76
Deming	75.6	94	54	0.02	0.71	1.63	6.04	8.11
T or C	73.9	93	57	0.22	2.73	1.08	9.22	7.67
Las Cruces	76.7	96	55	0.00	1.26	1.36	5.57	7.28

(T) Trace   (-) No Report   (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

CATTLE ON FEED

NEW MEXICO: Cattle and calves on feed for slaughter market in New Mexico totaled 96,000 head on September 1, 2001. The inventory was 5,000 head below last month and 6,000 head more than a year ago. Placements in feedlots during August totaled 12,000 head, which was 1,000 head less than the previous month and 6,000 below August, 2000. Marketings of fed cattle during August totaled 15,000, up 6,000 head from last month and down 2,000 head from a year ago.

UNITED STATES: Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.87 million head on September 1, 2001. Placements in feedlots during August totaled 2.20 million, 10 percent below 2000 and 9 percent below 1999. Net placements were 2.15 million. Marketings of fed cattle during August totaled 2.18 million, 1 percent below 2000 but 6 percent above 1999. Other disappearance totaled 54,000 during August, 10 percent above 2000 but 2 percent below 1999.

Cattle on Feed: Number on Feed, Placements, Marketings, and Other Disappearance, 1,000+ Capacity Feedlots [1]

	Number on Feed			Placed			Marketed			Other Disappearance [2]		
				--DURING--								
	9/1/00	8/1/01	9/1/01	8/00	7/01	8/01	8/00	7/01	8/01	8/00	7/01	8/01
	--1,000 Head--											
AZ	257	297	293	29	44	32	33	36	34	1	2	2
CA	415	475	470	56	56	50	57	48	52	4	3	3
CO	1,070	1,060	1,020	300	195	210	275	240	245	5	5	5
ID	290	310	305	73	60	70	60	69	74	3	1	1
IA	330	325	310	51	35	39	50	54	53	1	1	1
KS	2,220	2,420	2,490	530	570	570	490	485	490	10	15	10
NE	1,920	1,810	1,820	495	320	435	410	400	420	5	10	5
NM	**90**	**101**	**96**	**18**	**13**	**12**	**17**	**9**	**15**	**4**	**1**	**2**
OK	375	390	395	98	68	78	76	66	71	2	2	2
SD	128	154	140	35	14	21	32	34	34	1	1	1
TX	1,760	3,000	2,990	630	510	570	580	495	560	10	15	20
WA	204	229	231	58	61	61	47	58	58	1	1	1
Oth Sts	315	320	305	67	40	56	70	53	70	2	2	1
US	**10,374**	**10,891**	**10,865**	**2,440**	**1,986**	**2,204**	**2,197**	**2,047**	**2,176**	**49**	**59**	**54**

[1] Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better. [2] Includes death losses, movement from feedlots to pastures, and shipments to other feedlots for further feeding.

MANDATORY PRICE REPORTING FOR LIVESTOCK INDUSTRY
USDA, ERS, August 2001

Livestock packers and importers whose operations exceed certain levels must now report detailed information to USDA on price, quantity, and characteristics of livestock they buy and sell. April 2, 2001 marked the first day of implementation of USDA's Mandatory Price Reporting (MPR) system, mandated by the Livestock Mandatory Price Reporting Act of 1999.

The law was a government response to demand by livestock producers for more information on meat industry prices. The purpose of MPR is twofold: to provide all livestock producers with timely market information to enable them to operate successfully in a recently changed economic environment, while also meeting consumer demand for meat and meat products.

MPR applies to packer purchases of cattle, hogs, and sheep, as well as to prices of boxed beef, boxed lamb, and carcass lamb. USDA requires federally inspected processing facilities to comply with the MPR reporting schedule if average annual slaughter over the preceding 5 years reached 125,000 head for cattle, 100,000. The MPR system requires cattle packers to report specific price and quantity information twice daily. Hog packers must report three times per day; lamb processors report once daily. All livestock packers supply a weekly summary.

USDA had been reporting market price information through its Market News system, but MPR differs in several important ways. Participation in the Market News system was voluntary; MPR is not. MPR also requires reporting of price and quantity information in much greater detail. Under MPR, packers must report the terms of sales made through markets other than traditional public markets. In keeping with recent structural changes in the U.S. meat/livestock industry, MPR focuses on negotiated private purchases and formula and contract sales. Packers must report specific terms of formula and contract purchases, thereby revealing information previously treated as proprietary.

Livestock marketing has evolved from pricing on the basis of live animals to a basis of quality incentives assigned to the characteristics of carcasses, as well as to specific carcass measurements. MPR takes account of this evolution, and requires packers to report full schedules of quality premiums and discounts paid for carcasses according to their quality characteristics, such as age, fat content, and marbling.

The meat/livestock industry itself has evolved over the past 20 years and is characterized by fewer, larger packers and fewer, larger producers. Vertically coordinated/integrated production by contractual arrangements enables steady supplies of uniform animals. This, in turn, facilitates the supply of meat products bearing specific characteristics desired by consumers.

Many small independent livestock producers, who continue to market small numbers of animals through spot markets, point to the restructured industry as a justification for MPR. In fact, the Mandatory Price Reporting Act of 1999 was conceived when small producers successfully argued that proprietary price information contained in production and marketing contracts was not publicly available and therefore did not fully provide transparency in the market place.

After several startup delays, USDA implemented a schedule of 56 daily and 35 weekly livestock and meat reports covering national and regional prices and quantities. Six weeks after startup, an understating of cutout values for beef carcasses and primals (the major components of carcasses) became apparent. The cause of the under-pricing was identified as a software programming error, and has been rectified.

Frequent interruptions have also occurred in the MPR reporting schedule, reflecting the difficulty of protecting respondent confidentiality in an industry dominated by a few large firms. The Livestock Mandatory Reporting Act requires that information obtained by the MPR program be released to the public only if the identity of a respondent is not disclosed and the information conforms to aggregation guidelines established by the Secretary of Agriculture. In implementing the new law, USDA first adopted a set of standards used widely by government data collection agencies to ensure respondent confidentiality. The guideline, often termed the "3/60 Rule," states: "Submitted information will only be published by USDA if: (1) It is obtained from no fewer than 3 packers… representing a minimum of three companies; (2) the information from any one packer… represents not more than 60 percent of the information to be published….".

The Livestock Mandatory Price Reporting Act of 1999 also contains requirements for enhanced reporting of U.S. retail prices, and monthly rather than quarterly releases of the USDA *Hogs and Pigs* report. As a package, the law aims to increase the quantify and quality of timely public market information to help all producers make better production and marketing decisions in order to meet consumer demand for quality meat products.

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